

8 January 1980

MEMORANDUM FOR: Director of Economic Research
Director of Political Analysis

FROM : PB/NSC Coordinator

SUBJECT : DCI's Congressional Worldwide Briefing

25X1

1. The Director is continuing to address different aspects of the subject briefing(s). Attached is his initial outline of (a) the world energy situation, and (b) the Middle East and South Asian regions (the latter only in part). Since he has already done these outlines you should:

- Review and note any suggested changes
- Pull together draft papers supporting of such a presentation
- Develop graphics (both as noted specifically by the DCI and others you think appropriate)

Your initial cut at this material should be ready for DCI review/iteration on 11 January. Work should continue apace on other outlines you are developing, also for 11 January.

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2. There is nothing final about these outlines. Any suggested changes, alternative approaches, etc. should be reflected in the material provided 11 January.

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Attachment
As stated

cc: DDCI
DD/NFA
Chm/NIC
LC
EA/DCI
ER

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DCI Notes
8 Jan 80

WORLDWIDE BRIEFING OUTLINE - MID EAST - SOUTH ASIA

I. World Energy situation (5 min.)

A. Trends

1. Conservation - both in current production & in investment in expanded capacity

(Chart comparing both as seen in '77 & '80)

2. Demand & growth rates down
3. Discoveries vs. consumption in decade of '70s
4. New production vs. demand

N. Sea
Mexico
N. Slope

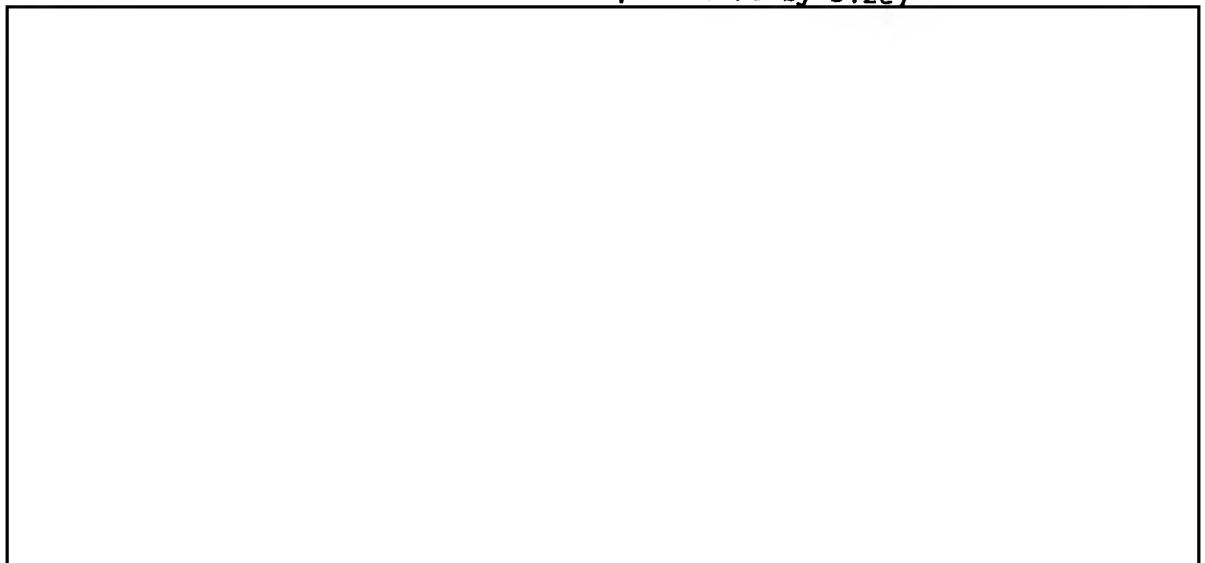
5. Soviet - confirmation of forecast

B. Outlook

1. Precarious balance
2. Price pressures likely
3. Oil embargo always possibility

II. Political Issues & Oil (Chart of producers by size)

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-Foreign workers
-Clerics
-Junior royal family
-Middle class
-Military - ?

2. Relations w/US vs. relations w/Arab world

a. Camp David forced to choose between splitting Arabs & US

(1) Criticality of Palestinian solution

b. Iraq & Saudis

(1) Rapprochement or superceding?

c. Impact Afghanistan

B. Israel, Egypt & Palestinians

1. Status of CDA -

a. Accomplishments to date

b. Due dates, actions, prospects from now to completion

(Charts)

2. Solidity of opposition amongst Arabs



C. Iraq

1. Oil policy to increase production. Why?

2. Concern w/Soviets

a. Evidenced in drop in arms purchases

b. Evidenced in Afghan reaction -
e.g. Treaty Friendship

3. Concern/temptation w/Iran

4. Concern w/US & CDA/Israel

1. Internal situation

- a. Rev. Council only gov't - won out over secular gov't
- b. Khomeini veto/guidance
- c. Student veto on hostages
 - (1) Revolution protectors - attempt to be political power factor
- d. Ethnic dissensions
- e. Economic stagnation